

Message Text

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ACTION AID-59

INFO OCT-01 NEA-10 ISO-00 AGRE-00 CIAE-00 INR-10
NSAE-00 DODE-00 L-03 H-01 EB-08 COME-00 TRSE-00
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FM AMEMBASSY CAIRO
TO SECSTATE WASHDC IMMEDIATE 5867
INFO AMCONSUL ALEXANDRIA

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DEPARTMENT PASS USDA/OGSM AND AID

E.O. 11652: N/A
TAGS: EAGR, EAID, EG
SUBJECT: EGYPTIAN PORT CONGESTION

REFS: (A) STATE 037801, (B) CAIRO 05032, (C) ALEXANDRIA
0150, (D) CAIRO 05240, (E) CAIRO 05574

1. FOLLOWING IS ASSESSMENT OF SITUATION IN EGYPTIAN
PORTS PREPARED BY GEORGE POPE, OGSM/USDA, ON BASIS
VISITS TO PORT SAID AND ALEXANDRIA, AND CONSULTATIONS
IN CAIRO WITH MINISTRY OF SUPPLY, AGATTACHE AND AID.
THIS MESSAGE WILL BE FOLLOWED BY SEPTTEL COVERING
IMPLICATIONS OF POPE'S ASSESSMENT ON POLICY MATTERS
RAISED IN REFTEL (E).

2. SUMMARY: EGYPTIAN PORTS APPEAR CAPABLE OF
HANDLING APPROXIMATELY 3.5-3.8 MILLION TONS WHEAT;
450-580 THOUSAND TONS FLOUR, AND 750-800 THOUSAND
TONS FEEDGRAINS ANNUALLY. AS DISCUSSED REFTEL (E),
GOE WILL IMPORT SOME 5 MILLION TONS OF GRAIN AND FLOUR
DURING CURRENT YEAR. CUT BACKS IN PL 480 SHIPMENTS
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WOULD HAVE LITTLE IF ANY EFFECT ON PORT CONDITIONS
AS GOE WOULD BE FORCED TO PURCHASE EQUAL AMOUNTS FROM
OTHER SOURCES. IMPORTS OF THIS LEVEL, HOWEVER, CAN
BE ACCOMPLISHED ONLY IF GOE ALLOCATES SUFFICIENT
INTERNAL TRANSPORTATION RESOURCES (TRUCKS, RAIL CARS,
BARGES) THROUGH CAREFUL COORDINATION OF IMPORT
SCHEDULING, AND FULL UTILIZATION OF PORT SAID

FACILITIES.

3. PORT SITUATIONS

- A. PORT SAID: MARINE SHIPPING CORPORATION (MSC) FACILITY SHOULD BE FULLY UTILIZED AND SCHEDULED TO DISCHARGE ONE LARGE VESSEL (TANKER OR BULK CARRIER UP TO 75,000 MT) MONTHLY. MSC AND OTHER PORT SAID FACILITIES SHOULD FURTHER BE USED, AS AVAILABLE, TO DISCHARGE SMALLER GRAIN VESSELS, UP TO TWENTY AT AVERAGE OF 30,000 MT. WITH EXISTING FACILITIES, PORT SAID COULD DISCHARGE UP TO 1.5 MILLION TONS DN ANNUAL BASIS. THIS INCREASE IN USE OF SAID WILL GREATLY RELIEVE PRESSURES ON ALEXANDRIA. HOWEVER, GOE MUST ALLOCATE SUFFICIENT TRUCKS TO CLEAR THIS TONNAGE AND MUST MAINTAIN ROAD REPAIRS. IN INTERMEDIATE AND LONG TERM, PORT SAID HAS FINE POTENTIAL FOR FURTHER EXPANSION, OFFERING DEEPER DRAFT (39 FT.) THAN ALEXANDRIA AND ROOM FOR EXPANSION BUT WILL NEED ADDITIONAL PORT STORAGE, COMPLETION OF PLANNED RAIL FACILITIES, AND IMPROVED ROAD SYSTEMS IN ORDER TO MEET POTENTIAL.

- B. ALEXANDRIA: PORT CONGESTION AT ALEXANDRIA MUST BE BROKEN INTO VARIOUS COMPONENTS FOR PROPER ANALYSIS. AT PRESENT, THERE ARE FEW IF ANY DELAYS BEING ENCOUNTERED IN BERTHING OR DISCHARGE OF LASH VESSELS, CONTAINER SHIPS, OR ROLL ON/ROLL OFF VESSELS. THE MAJORITY OF VESSELS AWAITING BERTHS CARRY LUMBER OR CEMENT. THESE LIMITED OFFICIAL USE

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VESSELS ARE NOT COMPETING FOR GRAIN/FLOUR BERTHS. BIGGEST PROBLEM FOR U. S. COMMODITIES (AID/PL 480) IS WITH LINER VESSELS WHICH CARRY MULTIPLE CARGOES. THESE VESSELS MUST BE DISCHARGED AT MORE THAN ONE BERTH WHICH CREATES DELAYS. LINERS CARRYING BAGGED FLOUR GENERALLY BERTHED FOR FLOUR DISCHARGE IN AVERAGE OF SIX DAYS. AFTER FLOUR IS DISCHARGED, LINER MUST COMPETE FOR BERTH IN GENERAL CARGO DISCHARGE SECTION OF PORT. THUS, THE 20 PERCENT LINER SURCHARGE IS MAINLY DUE TO DISCHARGE PROBLEMS PECULIAR TO LINERS AND DOES NOT

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NECESSARILY REFLECT SIMILAR DELAY/CONGESTION PROBLEMS
EXPERIENCED BY GRAIN/FLOUR CARGOES.

- PRESENT WAITING PERIOD FOR BERTH IS SOME 14 DAYS
FOR GRAIN VESSELS AND 6 DAYS FOR FLOUR VESSELS. PORT
IS CURRENTLY CLEARING APPROXIMATELY 9,000 MT A DAY AND
GRAIN/FLOUR BERTHS APPEAR REASONABLY CLEAR OF STORED
(BAGGED) COMMODITIES. ALSO, PAST PERFORMANCE OF PORT
OF ALEXANDRIA SHOWS THAT PORT CLEARANCE FOR GRAIN IS
LOWEST DURING DEC-MAY PERIOD (ESTIMATED 165,000 MT PER
MONTH) BECAUSE OF BAD WEATHER AND HIGH LEVEL OF EGYPTIAN
EXPORTS WHILE INCREASING TO APPROXIMATELY 190,000 MT
DURING JUNE-SEPT PERIOD. THEREFORE, DUE TO DELAYS IN
IMPLEMENTATION OF FY 1978 TITLE I PROGRAM, TITLE I
SHIPMENTS HAVE NOT SUBSTANTIALLY INFLUENCED CONGESTION.

- C. ONE ADDITIONAL EGYPTIAN PORT, SAFAGA, HANDLES
GRAIN (WHEAT) IMPORTS AT RATE OF APPROXIMATELY 300,000
MT PER YEAR. THESE IMPORTS, WHICH NORMALLY ARE NON-U.S.,
ARE DESTINED FOR UPPER EGYPT. MINISTRY OF SUPPLY CLAIMS
SUEZ CAN UNLOAD TWICE THE QUANTITY HANDLED BY SAFAGA.

4. RECOMMENDATIONS:

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- A. PRESS GOE TO FULLY UTILIZE PORT SAID. FYI LOUIS
BRUER, PRESIDENT OF MSC, WHO IS NOW LIVING/WORKING IN
PORT SAID WILL BE IN NEW YORK DURING PERIOD FEB 22-
MARCH 1. BRUER IS PREPARED TO COME TO WASHINGTON TO
DISCUSS PORT SAID SITUATION IN DETAIL. STRONGLY RECOMMEND
THAT APPROPRIATE OGSM/AID OFFICIALS CONTACT BRUER (212-
840-2360 OR 212-221-8355) TO ARRANGE MEETING END FYI.
IF PORT SAID CAN BE INCREASED TO TOTAL OF 1.5 MILLION TONS,
THIS WOULD RELIEVE PRESSURE ON ALEXANDRIA, ESPECIALLY IF
TANKERS GO TO PORT SAID INSTEAD OF ALEXANDRIA. MSC CAN

STRIP TANKERS AUTOMATICALLY WHEREAS IN ALEXANDRIA
STRIPPING MUST BE DONE VIA QUOTE BROOMS AND BUCKETS UN-
QUOTE.

- B. INSIST AT APPROPRIATE LEVELS IN BOTH WASHINGTON
AND CAIRO THAT GOE ALLOCATE SUFFICIENT INLAND TRANSPOR-
TATION RESOURCES, I.E., TRUCKS AT PORT SAID AND TRUCKS,
RAIL CARS AND BARGES AT ALEXANDRIA, TO DISCHARGE AND
CLEAR GRAIN/FLOUR IMPORTS IN TIMELY MANNER. GOE SHOULD
FURTHER BE ENCOURAGED TO CLEAR GRAINS FROM PORT IN BULK
RATHER THAN BAGGING. EILTS

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